

**Retailer Newsletter**

**September 1, 2024**

**Tom’s Business “TIPS”**

***“To Improve Profits”***

**RE: Are You A Good Manager?**

**Hi,**

***1. Being a Manager:***

**I recently met a young, inexperienced retailer and the first thing I thought was, ‘Wow, he reminds me of myself at that age!’ Now, regardless of what you might think, that was not a bad thing. I admired how much he tried to be a ‘nice guy’ to his staff. We had a long discussion about what he thought a good manager was and what he thought a bad manager was. Interestingly enough, I had just found the following article on LinkedIn before we met, and I still had it on my phone.**

**10 Signs of a Bad Manager**

1. **Poor Communication: Fails to provide clear instructions and feedback causing confusion and low morale.**

 ***Suggestion: Have written instructions when implementing new procedures.***

1. **Micromanagement: Controls every detail, stifling creativity and independence, frustrating employees, and reducing productivity.**

 ***Suggestion: Tell people what you want to do and let them decide how.***

1. **Lack of Empathy: Shows little understanding or concern for employees’ challenges, creating a toxic work environment.**

 ***Suggestion: Utilize an open-door policy for all employees. Recognize employees who achieve sales goals or receive positive customer comments, etc.***

1. **Inconsistency: Frequently changes priorities and expectations, leading to instability and confusion.**

 ***Suggestion: Have a long-term policy that limits several short-term changes.***

1. **Playing favorites: Favors certain employees, resulting in resentment and demotivation among the rest of the team.**

 ***Suggestion:*** ***Conduct employee evaluations and promotions based on past performance.***

1. **Avoiding Responsibility: Shifts blame to others and avoids accountability, damaging trust and team cohesion.**

 ***Suggestion: Accept blame for mistakes, when necessary, and recognize and share credit with others for success.***

1. **Lack of Vision: Fails to provide clear direction or strategy making employees feel aimless and disconnected from goals.**

 ***Suggestion: Use an employee newsletter/paycheck notice to let everyone know what is happening.***

1. **Ineffective Delegation: Delegates tasks poorly, overwhelming some, and underutilizing others, leading to inefficiency and dissatisfaction.**

 ***Suggestion: Remember – the definition of a manager is getting work done through the efforts of others. Many managers ease their busy workload by delegating tasks to colleagues. To do this effectively, identify the skills of your employees and assign duties to each depending on their skill set. Delegation isn't a sign of weakness and can in fact increase the amount of work a manager can accomplish - while developing the team's confidence and skills.***

**9. Ignoring Employees: Neglects to invest in team growth, resulting in a stagnant, unmotivated workforce. Provide employees with recognition for jobs well done.**

 ***Suggestion: Conduct employee evaluations and promotions based on past performance. This involves training and advising staff and building their confidence and skills. In a management position, you'll be the driving force behind the progression of team members. Ask employees for suggestions.***

**10. Unprofessional Behavior: Exhibits unprofessional conduct,**

 **eroding respect and creating a lax work environment.**

 ***Suggestion: Treat employees the way YOU would like to be treated.***

**As I stated earlier, this retailer acted and sounded like me in my early years. When I became a manager working for Amoco Oil Company on the Kansas Turnpike, I had just finished my active-duty military service and had not yet come to terms with ‘civilian life’. By that, I mean coming from an environment where everybody did what they were told, no questions asked, Period! During that time of adjustment, I expected all employees (and there were over 30 of them), to follow my directions 100% of the time. Well, anybody in a leadership position for any length of time knows if he/she could reach 50% they were doing great. As a result, it did take me some time to fully understand and appreciate that a manager (or employer) must get their staff to agree. I also learned that employees working for a big company (Amoco Oil) had certain differences than those employees working for Tom Terrono (sole proprietor). It took a few years for the employees of Tom Terrono to have that same company feeling as those working for Amoco Oil.**

**During those early years in my manager learning curve, I became aware of the phrase, *“Treat people the way you like to be treated.”* That simple sentence probably saved my career as a manager, and then as a retailer. There are times today when I walk into a retail establishment (of any kind) and wish I had that phrase written on a piece of paper. Then I could hand it to a manager, who hopefully would learn from my mistakes. I do realize they probably would not appreciate it coming from a stranger.**

***2. Back-Office Software:***

**I recently had an inquiry asking what back-office software I would recommend. I don’t have an opinion about the systems on the market today. The software I used when I owned my stores has merged with another company.**

**Here are some of the software packages that I have heard about:**

* **C-Store Pro**
* **Modisoft**
* **CStore Office**
* **Petrosoft**
* **ADD Systems**
* **SSCS**
* **PDI**
* **Petromo**
* **RedRiver Software**
* **AGKSof**

**I’m sure there are others. My question for you is this, “What system are you using? Also, please tell me one or two things you like about yours and one or two things you do not like. Just click ‘reply’ and let me know. All replies will be kept confidential, and I will not use your name; I simply would like to get an idea of what systems are being used and the Pros and Cons of each. Please don’t respond if you use QuickBooks. I have stated numerous times that QuickBooks is not a true back-office system suitable for retail locations.**

1. **One very important item that is a staple for any back-office system is the DIR (Daily Inventory Reconciliation). Almost all state and local government agencies require convenience stores to maintain a daily reconciliation of fuel storage. You will notice I said ‘daily’ because this part of your daily bookkeeping must be performed daily (or as often as you reconcile sales). If your local fire department has a report of fuel contamination in the underground sewer system, they typically will come to your location and ask to see your latest DIR. If you fail to provide this information in a timely manner or don’t have it at all, you are going to be shut down until you can prove your underground storage is NOT leaking.**
2. **Other factors missing from QuickBooks are sales, cost of goods (COG), gross profit, gross profit %, and expenses. In today’s newsletter, I have included two sample pages that I feel any accountant/bookkeeper can provide IF you supply them with the necessary information.**

**The Operating (Income) statement shown allows you to manage each category/department in your store. This permits you to view each department, so you can know if they're profitable or not. I have seen countless financials that only state: Fuel & Other Sales. Can you possibly manage that business? Answer: You cannot! Another huge mistake is listing too many categories. It’s difficult and next to impossible to manage too many. You will note that the sample attached allows you to view sales and cost of goods (COG) for the month and year to date, including gross profit and GP %. It also allows you to compare last year and last year to date. The biggest trap small business owners fall into is when your sales, gross profit, and gross profit % shrink over time. We are all good at blaming a variety of things (except ourselves); such as weather, road construction, inconsistent fuel price swings, and so on. By watching and managing your categories in this manner, you can view changes (up or down) as they occur.**

**The Operating/Income Statement (Expenses) is listed the same way. You can view changes as they occur monthly.**

|  |
| --- |
| **T & S Super Quickie Mart, Inc.** |
| **Operating (Income) Statement** |
| **Sales - Period 7** |
| **For The Month Ending July 31, 20XX** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **July (This Year)** | **7 Months YTD (This Year)** | **July (Last Year)** | **7 Months YTD (Last Year)** |
|  | **Sales** | **Cost** | **GP $** | **GP %** | **Sales** | **GP $** | **GP %** | **Sales** | **GP $** | **GP %** | **Sales** | **GP $** | **GP %** |
| Fuel | 658,149 | 646,215 | 11,934 | 1.8 | 4,277,968 | 79,468 | 1.9 | 608,208 | 16,253 | 2.7 | 3,327,338 | 107,806 | 3.2 |
| Automotive | 3,970 | 2,497 | 1,473 | 37.1 | 28,584 | 10,662 | 37.3 | 3,810 | 1,406 | 36.9 | 26,790 | 9,965 | 37.2 |
| Tobacco | 2,881 | 2,109 | 772 | 26.8 | 19,879 | 5,308 | 26.7 | 2,911 | 760 | 26.1 | 20,667 | 5,353 | 25.9 |
| Cigarettes | 27,610 | 22,862 | 4,748 | 17.2 | 189,129 | 32,341 | 17.1 | 25,833 | 4,392 | 17.0 | 167,915 | 28,209 | 16.8 |
| Groceries | 17,203 | 10,752 | 6,451 | 37.5 | 115,420 | 42,705 | 37.0 | 16,213 | 6,145 | 37.9 | 110,413 | 40,742 | 36.9 |
| HBA | 2,608 | 1,497 | 1,111 | 42.6 | 17,915 | 7,542 | 42.1 | 2,913 | 1,261 | 43.3 | 20,435 | 8,603 | 42.1 |
| Package Beverages | 10,483 | 6,884 | 3,599 | 34.3 | 68,140 | 23,235 | 34.1 | 9,650 | 3,262 | 33.8 | 65,620 | 22,376 | 34.1 |
| Fountain | 9,112 | 3,244 | 5,868 | 64.4 | 63,111 | 40,265 | 63.8 | 8,822 | 5,478 | 62.1 | 59,989 | 38,513 | 64.2 |
| Lottery | 10,954 | 10,406 | 548 | 5.0 | 73,678 | 3,684 | 5.0 | 7,888 | 394 | 5.0 | 56,210 | 2,793 | 5.0 |
| Car Wash | 10,671 | 3,116 | 7,555 | 70.8 | 75,764 | 54,020 | 71.3 | 11,829 | 8,268 | 69.9 | 79,845 | 56,929 | 71.3 |
| ATM | 822 | 0 | 822 | 100.0 | 5,836 | 5,836 | 100.0 | 721 | 721 | 100.0 | 4,859 | 4,859 | 100.0 |
| **Store Sales** | 96,314 | 63,367 | 32,947 | 34.2 | 657,456 | 225,598 | 34.3 | 90,590 | 32,087 | 35.4 | 612,743 | 218,342 | 35.6 |
| **Total Sales** | 754,463 | 709,582 | 44,881 | 6.0 | 4,935,424 | 305,066 | 6.2 | 698,798 | 48,340 | 6.9 | 3,940,081 | 326,148 | 8.3 |

|  |
| --- |
| **T & S Super Quickie Mart, Inc.** |
| **Operating (Income) Statement** |
| **Expenses Period 7** |
| **For The Month Ending July 31, 20XX** |
|  | **July (This Year)** | **7 Months YTD (This Year)** | **July (Last Year)** | **7 Months YTD (Last Year)** |
|  |  | **Amount** |  | **GP %** | **Amount** |  | **GP %** | **Amount** |  | **GP %** | **Amount** |  | **GP %** |
| **Expenses:** |  |  |  |   |  |  |   |  |  |   |  |  |   |
| Officer's Salary |  | 2,962  |  | 6.6  | 22,270  |  | 7.3  | 3,384  |  | 7.0  | 23,482  |  | 7.2  |
| Wages Employee | 13,823  |  | 30.8  | 91,215  |  | 29.9  | 13,873  |  | 28.7  | 95,887  |  | 29.4  |
| Payroll Tax |  | 1,212  |  | 2.7  | 10,067  |  | 3.3  | 1,256  |  | 2.6  | 10,437  |  | 3.2  |
| Rent |  | 4,533  |  | 10.1  | 31,422  |  | 10.3  | 5,414  |  | 11.2  | 37,507  |  | 11.5  |
| Equipment Rent |  | 179  |  | 0.4  | 915  |  | 0.3  | 145  |  | 0.3  | 1,631  |  | 0.5  |
| Maintenance & Repair | 2,379  |  | 5.3  | 16,474  |  | 5.4  | 2,465  |  | 5.1  | 16,960  |  | 5.2  |
| Utilities |  | 2,737  |  | 6.1  | 18,304  |  | 6.0  | 2,803  |  | 5.8  | 19,240  |  | 5.9  |
| Bank Charges |  | 45  |  | 0.1  | 305  |  | 0.1  | 49  |  | 0.1  | 321  |  | 0.1  |
| Drive Offs |  | 90  |  | 0.2  | 915  |  | 0.3  | 142  |  | 0.3  | 651  |  | 0.2  |
| Advertising |  | 583  |  | 1.3  | 3,356  |  | 1.1  | 670  |  | 1.4  | 3,910  |  | 1.2  |
| Depreciation |  | 1,526  |  | 3.4  | 9,762  |  | 3.2  | 1,499  |  | 3.1  | 10,763  |  | 3.3  |
| Bad Debts |  | 449  |  | 1.0  | 3,358  |  | 1.1  | 435  |  | 0.9  | 325  |  | 0.1  |
| Cash Over / Short | 269  |  | 0.6  | 2,135  |  | 0.7  | 290  |  | 0.6  | 1,953  |  | 0.6  |
| Credit Card Fees | 3,680  |  | 8.2  | 24,405  |  | 8.0  | 4,012  |  | 8.3  | 26,741  |  | 8.2  |
| Discounts / Refunds | 45  |  | 0.1  | 306  |  | 0.1  | 43  |  | 0.1  | 649  |  | 0.2  |
| Insurance |  | 673  |  | 1.5  | 3,966  |  | 1.3  | 677  |  | 1.4  | 4,899  |  | 1.5  |
| Laundry / Uniform | 89  |  | 0.2  | 305  |  | 0.1  | 50  |  | 0.1  | 319  |  | 0.1  |
| Legal & Accounting | 583  |  | 1.3  | 3,960  |  | 1.3  | 583  |  | 1.2  | 4,240  |  | 1.3  |
| Meals / Entertainment | 0  |  | 0.0  | 0  |  | 0.0  | 0  |  | 0.0  | 188  |  | 0.1  |
| Supplies |  | 808  |  | 1.8  | 4,881  |  | 1.6  | 822  |  | 1.7  | 5,543  |  | 1.7  |
| Taxes / Licenses | 1,346  |  | 3.0  | 9,758  |  | 3.2  | 1,351  |  | 2.8  | 9,457  |  | 2.9  |
| Vehicle Expense | 180  |  | 0.4  | 1,221  |  | 0.4  | 140  |  | 0.3  | 1,301  |  | 0.4  |
| Interest |   | 581  |   | 1.3  | 3,659  |   | 1.2  | 533  |   | 1.1  | 4,238  |   | 1.3  |
| **Total Expense** |  | 38,772  |  | 86.4  | 262,959  |  | 86.2  | 40,636  |  | 84.1  | 280,642  |  | 86.0  |
|   |  |  |  |   |  |  |   |  |  |   |  |  |   |
| **Operating Income** | 6,109  |  | 13.6  | 42,107  |  | 13.8  | 7,704  |  | 15.9  | 45,506  |  | 14.0  |
|   |  |  |  |   |  |  |   |  |  |   |  |  |   |
| **Other Income** |  |  |  |   |  |  |   |  |  |   |  |  |   |
| Interest Income |   | 38  |   | 0.1  | 205  |   | 0.1  | 25  |   | 0.0  | 148  |   | 0.0  |
| **Total Other Income** | 38  |  | 0.1  | 205  |  | 0.1  | 25  |  | 0.0  | 148  |  | 0.0  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Net Income** |  | 6,147  |  | 13.7  | 42,312  |  | 13.9  | 7,729  |  | 16.0  | 45,654  |  | 14.0  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Fuel**  |  |  |  |  |  |  |  |  |  |  |
| Gallons | 206,307 |   |   |   | 1,346,921  |   |   | 209,727  |   |   | 1,330,935 |   |   |

***3. Accountant or Bookkeeper:***

**You may remember I have always said, ‘Accountant or Bookkeeper? I say that for a good reason. I believe that business owners are too valuable to spend our time in an office in front of a computer for hours on end. That reminds me of back in the days of independent service station owners, when more than likely the owner of a ‘gas station’ was also a mechanic (sometimes the only mechanic). It has been proven that an individual who spends most of their time under the hood of a vehicle cannot manage the business properly or be prosperous. That is still true today in the convenience store era, the retailer/owner cannot manage the business while stuck behind the cash register for most of the day. I know retailers who were also the computer programmer at their store and missed scheduled vacations and days off because their back-office system was down, and they were the only person who could fix it. That’s sad! I have always believed that daily bookkeeping/reconciliation is ‘old news’. You see it’s yesterday’s news, you cannot change it. What’s going on in your store is ’today’s news’ which is something you have control over, and you can affect its outcome as it takes place.**

**If your accountant tells you they cannot provide this data to you, maybe you are not giving them enough information, or they do not want to spend the time necessary to provide you with the financial reports necessary to manage your business.**

***4. EV Charging:***

**I read a lot about businesses installing EV charging stations. I also read a lot about the complaints people have about those charging stations. The biggest complaints customers have been:**

1. **The equipment does not work, this includes vandalism.**
2. **No prices listed.**
3. **Non-EV vehicles blocking access to charging stations.**

**Let that be a warning if you are deciding whether EV Charging is right for you. It should come as no surprise customers want to know what they are paying, they expect it to work, and they want easy access to it!**

***5. I’m Here To Help You!***

**If you are interested in improving your store sales and profits, give me a call or email me. If you are a supplier or organization with retailers, and they are struggling to maintain profitable stores, please reach out to me. We can help these stores operate more efficiently and improve profitability!**

***"The delicate balance of mentoring someone is not creating them in your own image but giving them the opportunity to create themselves."***

**Steven Spielberg**

**\* \* \* \* \***

**Don't be a victim of the 5 Dangerous Words**

***‘Maybe I’ll Do It Tomorrow’***

**Do it today because tomorrow (~~could be~~) will be too late!**

Tom
Thomas W. Terrono

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***“Our business is making your business better!”***